

2006

Birim Goldfields Inc.

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***Third Quarter
Interim Report
December 31, 2006***

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Birim Goldfields Inc.

Interim Report

As at December 31st, 2006

President's Message

During the quarter ended 31st December 2006, we have continued to make significant progress on our exploration properties in Ghana West Africa. . Drilling on targets areas primarily along the Bui Belt has comprised much of these efforts: 58 reverse circulation (RC) drill holes totaling 4,151 meters were completed. On the Cluster property, we completed both follow-up drilling of a significant intersection on the central area of our Chert Ridge prospect and additional scout drilling along strike of the same extensive structure. We also commenced a scout drilling program at Chenchu Mountain on the Parabu property, also on the Bui Belt. Soil sampling and ground geophysics, comprised of induced polarization (IP) surveys, have been carried out on other Bui properties in order to refine existing and identify new targets.

Chert Ridge

Follow up drilling on the central area of the presently defined 9-kilometre long section of the Chert Ridge prospect has successfully delineated two zones of gold mineralization. Zone A has a strike length of approximately 220 meters with significant intersections of 10 meters at 3.09 g/t gold and 12 meters at 2.88 g/t gold on two of the drilled sections. Zone B is 350 meters south of Zone A and has a strike length of approximately 500 meters with significant intersections of 11 meters at 1.42 g/t of gold, 10 meters at 4.79 g/t of gold and 13 meters at 6.84 g/t gold (including 1 meter at 77.56 g/t gold). Most of the drilling carried out to date on these zones has only tested these zones within 50 meters of surface.

Our understanding of the structural controls, alteration and lithological associations of the mineralization at Chert Ridge has vastly increased and, in association with detailed surface mapping and IP geophysical data, additional targets along the 9-kilometre long Chert Ridge structure have been defined. Several of these targets have already undergone initial scout drilling during the quarter. One such target located approximately 4.2 kilometres to the north of Zone A in the central area, returned a significant intersection of 26 meters at 0.47 g/t of gold (including 6 meters at 1.01 g/t gold).

Soil sampling has also been completed over the 3.5 kilometer south-western extension of the Chert Ridge structure, where previous regional sampling has indicated anomalism.

Chenchu Mountain

The Chenchu Mountain prospect is located on our Parabu property and is coincident with a 1,500 meter-long soil anomaly of greater than 100 ppb gold: 800 meters of which is greater than 200 ppb gold. Historic drilling by Santa Fe Mining in 1997 over a portion of this prospect returned significant intersections which included; 13 metres at 1.90 g/t of gold, 18 metres at 1.79 g/t of gold, 7 metres at 4.38 g/t of gold, 14 metres at 1.61 g/t of gold and 8 metres at 2.05 g/t of gold. A recently completed IP geophysical survey by Birim over this target suggests that the mineralization is dipping to the northwest, contrary to the direction that formed the basis for Santa Fe's historical drilling program. Birim has commenced a 30 hole (1,260 meter) drill program to confirm and refine our model as well as test other targets indicated by our ground geophysics data at Chenchu Mountain. Fourteen drill holes have already been completed.

On our Techimentia property along the Sefwi-Bibiani gold belt, we concluded a regional soil sampling program over prospective structures defined from the interpretation of airborne geophysical data. Similar structures host the multiple deposits that comprise Newmont's world class Ahafo Gold project located to the east and south of our Techimentia property.

During the next quarter, additional diamond and RC drilling is planned to advance the Chert Ridge, Akrobi, Tinga and Chenchu Mountain prospects. Further exploration work will also continue on all of our licenses to advance prioritized already-identified anomalies to the scout drilling phase.

As of December 31st, 2006, the number of common shares outstanding for Birim was 63,394,786. The Company has a solid financial position with approximately \$3.8 million CAD in cash and no debt. Birim's principal requirements for cash over the next quarter will be for administrative (including marketing) expenditures and exploration expenditures relating to our 17 wholly-owned properties, and on the Techimentia property in which the Company is earning an interest.

On behalf of the management and Board of Birim Goldfields Inc., I thank you for your continued support. We are looking forward to an active and exciting period ahead in 2007.

Vic King
President and Chief Operating Officer
February 7, 2007

Birim Goldfields Inc.

Consolidated Balance Sheets

	December 31, 2006 (unaudited)	March 31, 2006 (audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 3,804,777	\$ 803,183
	93,994	
Accounts receivable		
	129,591	
Prepaid expenses		
	4,028,362	1,001,829
Prepaid rent	15,384	84,800
	451,451	
Property, plant and equipment (Note 2)		
	17,692,882	
Mining interests (Note 3)		
	\$ 22,188,079	\$ 16,123,872

Liabilities

Current liabilities

Accounts payable and accrued liabilities

\$	545,272	\$	294,747
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Shareholders' Equity

Share Capital (Note 4)

31,791,654

26,022,930

Options (Note 4)

665,792

746,132

Warrants (Note 4)

1,271,942

Contributed Surplus (Note 4)

739,429

Deficit

(12,826,010)

21,642,807

15,829,125

\$ 22,188,079 **\$ 16,123,872**

See accompanying notes

Birim Goldfields Inc.

Consolidated Statements of Operations and Deficit

(unaudited)

	Three-month period ended December 31		Nine-month period ended December 31	
	2006	2005	2006	2005
Revenues				
Interest income, net	\$ 40,345	\$ 21,084	\$ 108,831	\$ 52,348
Administrative expenses				
Office and general	126,183	56,024	233,378	155,795
Stock - based compensation cost (Note 4)	-	-	179,604	163,253
Salaries and fringe benefits	46,817	50,211	164,602	150,601
Travel and entertainment	58,856	8,749	131,977	43,319
Professional and consulting fees (Note 5)	56,777	34,657	117,300	105,388
Rent (Note 5)	9,375	6,000	28,125	18,000
Tax	25,104	-	71,804	-
	323,112	155,641	926,790	636,356
Net loss	282,767	134,557	817,959	584,008
Deficit at beginning	12,542,840	11,317,978	11,960,088	10,438,095
Share issue expenses	403	-	47,963	430,432
Deficit at end	\$ 12,826,010	\$ 11,452,535	\$ 12,826,010	\$ 11,452,535
Basic and diluted net loss per share	\$ 0.01	\$ 0.01	\$ 0.01	\$ 0.01

See accompanying notes

Birim Goldfields Inc.

Consolidated Statements of Cash Flows

(unaudited)

	Three-month period ended December 31		Nine-month period ended December 31	
	2006	2005	2006	2005
Operating activities				
Net loss	\$ (282,767)	\$ (134,557)	\$ (817,959)	\$ (584,008)
Item not affecting cash and cash equivalents				
Stock - based compensation cost	-	-	179,604	163,253
	(282,767)	(134,557)	(638,355)	(420,755)
Net change in non-cash working capital items				
Accounts receivable	(39,191)	37,937	(79,279)	(907)
Prepaid expenses	43,645	25,985	54,340	96,564
Accounts payable and accrued liabilities	369,655	46,026	250,525	38,094
	374,109	109,948	225,586	133,751
	91,342	(24,609)	(412,769)	(287,004)
Financing activities				
Share capital	-	-	6,500,000	3,854,000
Share issue expenses	(403)	-	(47,963)	(345,875)
	(403)	-	6,452,037	3,508,125
Investing activities				
Mineral interests - exploration costs	(1,098,135)	(951,815)	(2,878,951)	(1,908,957)
Additions to property, plant and equipment	(142,024)	-	(228,139)	(135,949)
Business acquisition	-	-	-	(10,231)
Prepaid rent	21,500	-	69,416	-
	(1,218,659)	(951,815)	(3,037,674)	(2,055,137)
Net change in cash and cash equivalents	(1,127,720)	(976,424)	3,001,594	1,165,984
Cash and cash equivalents at beginning	4,932,497	3,101,664	803,183	959,256
Cash and cash equivalents at end	\$ 3,804,777	\$ 2,125,240	\$ 3,804,777	\$ 2,125,240

Cash and cash equivalents are represented by cash and term deposits.

Additional Information

Items not affecting cash and cash equivalents related to financing and investing activities

Options granted (mining interests)	\$ -	\$ 8,297	\$ -	\$ 39,108
Options exercised	\$ -	\$ -	\$ -	\$ 40,427
Business acquisition	\$ -	\$ -	\$ -	\$ 1,188,000
Warrants (share issue expenses)	\$ -	\$ -	\$ -	\$ 84,557
Capitalized amortization (mining interests)	\$ 23,343	\$ 16,128	\$ 64,851	\$ 45,817

See accompanying notes

Birim Goldfields Inc.

Notes to Consolidated Financial Statements

(unaudited)

December 31, 2006 and 2005

1. General

The accompanying unaudited consolidated financial statements do not include all the disclosure required by generally accepted accounting principles for annual statements and should be read in conjunction with the notes to the Company's audited consolidated financial statements for the year ended March 31, 2006, specifically the Note 1 on the Nature of activities and going concern and Note 3 on the Summary of significant accounting policies.

2. Property, plant and equipment

	2006		
	Cost	Accumulated amortization	Net amount
Motor vehicles	\$ 354,583	\$ (115,291)	\$ 239,292
Office equipment	209,019	(17,749)	191,270
Field equipment	34,499	(13,610)	20,889
	<hr/> \$ 598,101	<hr/> \$ (146,650)	<hr/> \$ 451,451

	2005		
	Cost	Accumulated amortization	Net amount
Motor vehicles	\$ 290,084	\$ (52,736)	\$ 250,489
Furnitures and fixtures	4,297	(1,634)	3,814
Office equipment	16,812	(4,764)	13,659
Field equipment	13,794	(16,586)	11,208
	<hr/> \$ 189,038	<hr/> \$ (65,720)	<hr/> \$ 279,170

3. Mining interests

	Balance as at April 1, 2006 \$	Costs \$	Balance as at December 31, 2006 \$
Bui	11,497,684	2 320 650	13 818 334
Tinga	2,655,062	49 800	2 704 862
Sefwi-Bibiani	596,334	195 385	791 719
Techimentia	-	377 967	377 967
	<hr/> 14,749,080	<hr/> 2 943 802	<hr/> 17 692 882

Birim Goldfields Inc.

Notes to Consolidated Financial Statements
(unaudited)

December 31, 2006 and 2005

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3. Mining interests (cont'd)

	Balance as at April 1, 2005 \$	Costs \$	Balance as at December 31, 2005 \$
Bui	10,394,623	634,959	11,029,582
Tinga	-	2,336,194	2,336,194
Others	280,696	220,960	501,656
	<u>10,675,319</u>	<u>3,192,113</u>	<u>13,867,432</u>

4. Share capital

Authorized

Unlimited number of common shares, without par value.

Issued

Changes in the Company's share capital were as follows:

	<u>2006</u>		<u>2005</u>	
	Number of Shares	Amount	Number of Shares	Amount
Balance at beginning	51,576,604	\$ 26,022,930	40,246,604	\$ 21,396,611
Issued following private placements	11,818,182	5,768,724 *	7,330,000	3,208,891*
Issued following the exercise of options	-	-	700,000	229,428
Business acquisition	-	-	3,300,000	1,188,000
Balance at end	<u>63,394,786</u>	<u>\$ 31,791,654</u>	<u>51,576,604</u>	<u>\$ 26,022,930</u>

* This amount is net of the fair value of the warrants amounting \$731,276 (\$456,109 in 2005).

Stock option plan

The Company has a fixed-price share option plan. Under the Employee, Director and Consultant Share Option Plan, the Company may grant options to its key employees, officers, directors and consultants for up to 9,500,000 common shares. Under the plan, the exercise price of each option equals the market price of the company's shares on the date of grant and an option's maximum term is ten years. The number of share options granted is determined by the Board of Directors and the aggregate number of share options granted to any one individual cannot exceed 5% of the issued and outstanding common shares of the company. Options terminate 90 days following the key employee's, officer's or director's date of departure, except in the case of retirement, death or disability, in which case they terminate one year after the event. Options also terminate 90 days following the cancellation of contracts with the consultants. The options are exercisable at any time, unless otherwise specified.

Birim Goldfields Inc.

Notes and Comments to Consolidated Financial Statements
(unaudited)

December 31, 2006 and 2005

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4. Share capital (cont'd)

Options

The following table presents the options activity since April 1, 2006 and 2005:

	2006		2005	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	3,815,000		2,850,000	0.65
Granted			1,115,000	0.40
Exercised	-		(700,000)	0.27
Matured			-	-
Outstanding and exercisable – End of period	3,665,000	0.45	3,315,000	0.65

The following table summarizes information about fixed stock options outstanding and exercisable as at December 31, 2006:

Options outstanding as at December 31, 2006	Weighted average remaining contractual life (years)	Exercise price
150,000	0.27	\$ 0.42
915,000	0.60	0.40
50,000	0.80	0.39
1,550,000	1.05	0.45
1,000,000	1.47	0.50
3,665,000	0.98	\$ 0.45

Birim Goldfields Inc.

Notes and Comments to Consolidated Financial Statements

(unaudited)

December 31, 2006 and 2005

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5. Share capital (cont'd)

The fair value of options granted was estimated using the Black-Scholes options pricing model with the following weighted average assumptions :

	2005	2005
Weighted average risk-free interest rate	4.38	3.16%
Expected volatility	75%	75%
Dividend yield	Nil	Nil
Weighted average expected life	2 years	2 years
Weighted average cost of option granted	\$0.18	\$0.17

The cost recorded as expenses for the options granted to directors and officers during the period ended December 31, 2006 is \$179,604 (\$163,253 in 2005) and the amount of \$179,604 (\$163,253 in 2005) has been recorded under the heading Options. In addition, during the period ended December 31, 2005, \$39,108 (nil in 2006) was accounted for as mining interests for options granted to technical consultants through the vesting period and the amount of \$39,108 (nil in 2006) has been recorded under the heading Options.

As at December 31, 2006, the cost of the matured options is \$259,944 and has been transferred to contributed surplus.

Warrants

The following table presents the warrant activity since April 1, 2006 and 2005:

	2006		2005	
	Number	Weighted average exercise price \$	Number	Weighted average exercise price \$
Outstanding – Beginning of period	4,251,400	0.64	-	-
Granted	5,909,091	0.80	4,251,400	0.64
Exercised	-	-	-	-
Matured	-	-	-	-
Outstanding – End of period	10,160,491	0.73	4,251,400	0.64

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Notes and Comments to Consolidated Financial Statements

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December 31, 2006 and 2005

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4. Share capital (cont'd)

The following table summarizes information about warrants outstanding and exercisable as at December 31, 2006:

Exercise price	Warrants outstanding and exercisable as at December 31, 2006	Weighted average remaining contractual life
\$0.65	3,665,000	0.27 year
\$0.55	586,400	0.27 year
\$0.80	4,298,050	0.90 year
\$0.80	1,611,041	1.02 years

5. Related party transactions

During the period, the Company paid \$58,500 (\$58,500 in 2005) in professional service fees and \$18,000 (\$18,000 in 2005) in rent, to a company controlled by an officer. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.